



WORLD CHRONICLE

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PROGRAMME: "WORLD CHRONICLE"

GUEST: Mahbub Ul-Haq, a Special Advisor on Human Development to the Administrator of the United Nations Development Programme (UNDP)

JOURNALISTS: Ted Morello, Far Eastern Economic Review
Yvette Collymore, Inter Press Service
Bruno Franceschi, AFP

MODERATOR: Michael Littlejohns

SYNOPSIS

HUMAN DEVELOPMENT REPORT

Mahbub Ul-Haq, a Special Advisor on human development to the Administrator of the United Nations Development Programme (UNDP), discusses the 1992 Human Development Report. Mr. Haq calls on governments to invest more in human development. Poverty in the developing world affects all countries, he points out, resulting in lost markets, environmental degradation and illegal migration. He calls for dramatic changes to open up global markets, create more job opportunities, overhaul international institutions and strike a compact between rich and poor nations.

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Executive Producer:
Director:
Production Assistant:

Kamil Taha
Livingston Hinckley
Judith Bennett Henry

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VOICE: From United Nations Headquarters in New York, this is **WORLD CHRONICLE**, an unedited interview programme about major global issues. Here now to introduce our guest is the host of today's **WORLD CHRONICLE**.

LITTLEJOHNS: I'm Michael Littlejohns, and this is **WORLD CHRONICLE**.

Over the last three decades, the gap between rich and poor nations has grown at an alarming rate. Restricted and unequal access to the world's financial and labour markets costs developing countries and their impoverished populations hundreds of billions of dollars more than they receive in foreign aid. A recent report published for the United Nations Development Programme or UNDP, calls for a summit on human development and a creation of a UN development security council to address narrowing the gap between rich and poor.

Our guest today is chief author of the Human Development Report. He is Mahbub Ul-Haq, a special advisor on human development to the Administrator of UNDP. Mr. Haq is also a former Minister of Planning and Finance in his native Pakistan. He will be interviewed here at United Nations Headquarters in New York by: Ted Morello of Far Eastern Economic Review; Yvette Collymore of Inter Press Service and; Bruno Franseschi of AFP.

LITTLEJOHNS: Mr. Haq, your previous reports have been somewhat controversial. Is the current one more or less so?

HAQ: Well, I think controversy is part of good dialogue and I do hope that it is noticed. If there is no controversy about

this report, I'll be greatly disappointed.

LITTLEJOHNS: You started a Human Development Index (HDI), was it? For a couple of reports, Japan, I believe, was at the top of the heap but Japan has been displaced by Canada. What is the basis for that?

HAQ: Well, this year we have updated all our information. We had to depend previously on data for literacy which went back to 1985, mean years of schooling which went back to 1980, life expectancy data which was somewhat old. This year we have tried to get all 1990 data and one of the impacts of this report has been that nations have looked around to update their statistics and to see that they are judged by their current performance and not past data and that has really made a difference in the ranking in many of these countries.

LITTLEJOHNS: We hear a lot about the alleged failures of the school system in the United States, yet I believe the report gives the US the top position of the number of years spent in school.

HAQ: Well, the US does very well in terms of mean years of schooling because people do stay on in the schooling system for a longer period -- 12.6 years I think is the average -- for those who are above 25, that they have spent that much time in schools. They were rather low when we looked at it in our first report in terms of adult literacy -- 96 percent whereas most industrialized nations were 99 percent. The US protested that they were being judged by harsher criteria of literacy than other nations and they have updated their figure to 99 percent. We keep hoping that this reflects an improvement in their education and not only an improvement in their data.

LITTLEJOHNS: You say you keep hoping, is it really the case, you think?

HAQ: Well, it's possible that the original figures were suspect. We have to give them the benefit of the doubt but President Bush keeps saying that he would like to be the Education President and I hope that there is still a challenge of education for him to surmount and the data shows as if they are doing very well. It appears that it may not be entirely accurate.

MORELLO: Mr. Haq, perhaps the most controversial of your last report was the Freedom Index in which countries were near the bottom or even some of those which were not. The entire Group of 77 developing countries protested and called for a suppression of it in this issue. Now, for example, one of the criticisms was this was an attempt to impose western, cultural criteria on non-western countries. Ambassador Razali of Malaysia for example specifically zeroed in on the fact that the right to homosexuality was one of your measures. This has been dropped from this year's. I don't know if it's because of the complaints or for other reasons. Is there a prospect of it being resumed in future issues?

HAQ: Let me say very frankly that the Political Freedom Index or the Human Freedom Index that we produced last year was certainly not our finest hour. It was not our own index. We used the work of somebody else which was done in 1985. It was based on old data. Even though there were 40 indicators of freedom taken from the Universal Declaration of Human Rights, some of them were misinterpreted. Like the right to privacy was misinterpreted as a right to homosexuality which many countries protested. Like the right to technological progress was misinterpreted as a right to all forms of contraception so I think there was some distortion in

the index. What we have done this time is, we got together all the best experts on human rights from the very developing countries which had protested about this index and we had a very professional analysis and now we come out in this Report with a methodology which we believe reflects universal values because we have looked up not only the Universal Declaration of Human Rights, all the regional charters, African, Latin American, Arab and Asian charters, looked at all the national constitutions and we have focused on five clusters on freedom -- political participation, rule of law, physical safety of a person, equality of opportunity, freedom of expression, and these are accepted in all constitutions, in all charters. So as a result, we produced an index, ranking all countries. What we're showing in this report, there are aggregates, not individual country ranking because we believe that this is a process, we are not still at a stage where we can with confidence show country rankings and in any case, what is more important is that we show the link between freedom and development and that is greatly reflected, analyzed and projected in this report so we believe we are taking the dialogue professionally along without putting any individual countries on the spot in this report.

COLLYMORE: Mr. Haq, bearing in mind the previous problems that you've had with statistics in the reports, how far would you say the rankings in the current report reflect the countries' ability to keep proper statistics? How accurate would you say the report is?

HAQ: Well, it is true that social data have not been up-to-date and not very accurate in many countries but one of the things which is emerging as a result of this report is a pressure on governments, as I was saying earlier, to produce more accurate

statistics, to defend them, to make them comparable. International agencies are also working on it and our own agency, UNDP, is now helping many developing countries build up their national capacity for better human and social data because ultimately, we can't plan for people if we don't even know about them and as such it is a much belated effort that there should be more investment in good statistics because that can be the basis of good policy action and a tremendous improvement has already taken place in the last 2,3 years and I hope that this will continue.

COLLYMORE: Do the developing countries request assistance of the UNDP?

HAQ: Many developing countries have requested assistance.

LITTLEJOHNS: You mean.... assistance with data?

HAQ: With data and also for formulation of their human development strategies for the next 10 to 15 years -- the long-term human goals, the cost, how to implement them, and you cannot formulate these goals unless you know about the current situation so it's part of the same thing. At the moment, 22 developing countries are working closely with the UNDP to formulate the long-term human development strategies and many of them are having investments in the statistical systems as well.

FRANSESCHI: Mr. Haq, how do you explain why there is no global understanding of the necessity to develop all over the world free markets and maintenance of protectionist measures?

HAQ: I think one of the central themes of this report is that open markets are good for all nations, developing and

developed. Of course we have looked at it from the point of view of the developing nations, that they are being denied 500b dollars a year in global markets because there are restrictions on trade, on movement of people, on movement of capital and this is 10 times as much as the assistance they're getting. Now our central theme as such is that it's far better to enable the poor to have access to market opportunities rather than keep them on charity. But it's not only good for the developing countries, it's good for the developed nations if the markets are open -- more efficiency, more competition, more growth, there'll be more jobs. Now it is true that in a period of rapid change, some sectors will come under pressure. There will be less jobs for auto workers, for textile workers, for some farmers who are now free, who do not have the protection that they had before but there would be other jobs created in high technology industries and our problem has been -- and it's a dilemma that leadership will have to look at -- that jobs that we lose in the industrialized countries, those are certain. The jobs which will be created in future, they are uncertain. How do you balance the certainty of losing jobs and people who will put pressure that there should not be a structural adjustment and the uncertainty that there will be more jobs which is the lesson of economic history. There always are more jobs, but it takes time. So our suggestion is there must be programmes of structural adjustment in the industrial countries. We are living in a period where change will be rapid, it will be traumatic, it will be forced and industrial countries, many of them are not geared for this change so as such they see change as a threat, not as an opportunity and they should be prepared with structural adjustment programmes to cushion in temporary periods their workers, re-train them, prepare the society for future technologies, future investments and let me say, almost all the developing countries are going through structural adjustment.

World Bank, IMF are leading these programmes but industrial countries are not? Isn't it necessary that they use the peace dividend which is coming. There is a reduction in military expenditures by 92b dollars in the last five years, use it to prepare their own societies for future change for their own human agenda. That will help us more in the developing world because then we can get into those markets and not have to live on charity alone.

MORELLO: Mr. Haq, you've spotlighted the question of peace dividends as a result of many things. We've been hearing that around here since 1963 at the signing of the partial Test Ban Treaty. People thought what was formerly spent for that should go into development. It was revived again at the end of the Cold War and now you've brought it up again in your report. In that generation between '63 and the present time, have you seen any perceptible movement in that direction?

HAQ: I think there is a tremendous change. For the first time, Ted, the peace dividend is no longer a fiction, it's a reality. Not many people realize that the peace dividend has been materializing but it's not being used for the right purposes. In the last five years, military expenditures in the USA and USSR particularly, not in Europe and Japan, went down by 92b dollars. At the same time, developing countries which had started spending a lot on the military, even they are spending less now by 30b dollars but the problem is that the peace dividend has gone into the budget-cutting exercises, it's disappearing all over and there has been no clear discussion in these societies on what to do with reduced military spending, how far it can be used for the neglected human agenda in developing countries -- the very basic one of providing education and health and clean water to people and

developed countries, the human agenda of homelessness, drug addiction, pollution, and how far it can be used to prepare societies for future change. For developing countries, investing in capital formation, in people and in technology, and in industrial countries, for those structural adjustment programmes we were talking about just now, to train and prepare the society for the future so I think the peace dividend is a reality. Many industrial have already announced that they will reduce their military expenditure by 3 percent a year over the next decade. If they really implement it, which they already have in the last five years, there'll be a peace dividend of 1.2 trillion dollars for the next ten years in the industrial world and if developing countries also do the same, they'll have 300b dollars, enough to put all the children in schools, get clean drinking water, get primary health care for all and even if they don't do 3 percent a year, let us be modest, let us say 1 percent a year reduction in military expenditures, that alone will give 500b dollars of peace dividend to the entire group. As such, I think this is beginning to happen and what's more, military spending is high now on the international agenda for developed countries and developing countries. You know, Ted, that the World Bank never talked about it before, IMF never had data on military debts even. Now it's moving into their conditionality and Germany and Japan have announced already that they are going to cut down their assessments to countries on the basis of the level of military spending so it's becoming a legitimate issue of global dialogue and I do hope that we can take advantage of it.

LITTLEJOHNS: Our programme is **WORLD CHRONICLE**. Our guest is Mahbub Ul-Haq, a special advisor on human development to the Administrator of UNDP.

COLLYMORE: According to the report, the purpose of development is to increase people's range of choices but in many ways we know that choices are severely limited by poverty. Can we use the same yardstick to measure freedoms in developed states as in developing countries faced with that burden of unfair trading practices and so on?

HAQ: I think one of the basic things about the human development concept is that it is valid just as much in these societies as in poor societies. It unifies their concerns because choices may be different. In poor societies, it may be a struggle to survive; in rich societies, it may be a question of balancing private greed with social responsibility for those who fall outside the marketplace in terms of homelessness, in terms of not having enough investment in education and health but the choices are there. People make their choices in the marketplace, people make their choices otherwise. They make it economically, they make it politically, they make it socially and taking that concept of development helps unify the concerns of the south and the north and to overcome the divide. Normally all development analysis has proceeded in terms of poor societies, third world, less developed countries, as if the developed countries do not have choices that they must discuss very seriously. We find that life does not either begin or end at twenty thousand dollars per capita income. You can still return home and find that your child is on drugs, that there is environmental pollution and you can hardly breathe; you can find that your life is threatened by crime, by urban violence; you can find a whole neglected human agenda and as such, I believe that the same yardsticks of human development and human freedom can be used in developing and developed countries which is the basic message of the report.

COLLYMORE: But don't you have to preface the arguments with the fact of the need to address poverty?

HAQ: That is true. Poverty is certainly restricting people's choices. What is poverty after all? Poverty of income restricts your choices economically, poverty of education restricts your choices intellectually, poverty in the sense of the denial of freedom restricts your choices politically and there can be poverty of all kinds, including intellectual poverty. Certainly, we should address the issue of poverty because without that, there cannot be any enlargement of human choices and all the problems, whether it is denial of employment, denial of education and health and social services and even environment. Pollution arises in developing countries because of poverty. What is, for example, environment and its degradation. In the developing countries, they live on natural resources because there's nothing else. They cut down trees because there is no alternative sources of energy. They use polluted water which is more a threat to life. It is silent emergencies -- poverty, which is really the greatest killer. We hear a lot about loud emergencies of global warming and ozone layers and ocean pollution. Let me put it to you, global warming and many of the other loud emergencies have yet to kill anybody and the silent emergencies are wasting many lives in the developing countries every day. 32 million children die before the age of five.

LITTLEJOHNS: Mr. Haq, you sound almost as if you should be running for political office.

FRANSESCI: In your report, I noticed, among other things, a very tough remark and I would like to quote you very precisely. You say, "there is a real danger that the concept of human

development may become more a fashion than a practice, more a slogan than a blueprint for action". Is it a fear or is it a statement?

HAQ: Well, there is always a fear when a certain development concept becomes so popular. In a way, we take some pride in it that human development is being talked about now all over the world, in national parliaments, in plan documents, in dialogue, in the citadels of World Bank and IMF. I take great satisfaction in that but the question is, what is the action programme? It is coming. In many developing countries, they are beginning to formulate the human development strategies, they're beginning to look at the projects in terms of people. It's coming in aid policy dialogue also in terms of military spending, in terms of human priority ratios, in terms of people behind the facade of development so I think there is a real chance that human the development concept will get, as we say, "operationalized". It will be there in action at the country level and at the global level but this is something for which we'll have to make a very major effort.

FRANSESCHI: But you are calling in your report for a world summit precisely on human development, don't you believe such an exercise futile because the richest countries are not prepared to give up a part of their benefits of their own growth to the poorest countries?

HAQ: I think whenever we have talked about the global compact the reason we have failed is that developing countries have looked for unilateral actions. They haven't looked at their own national responsibilities also. What we are calling for is that both sides should look at what they can give and what they can

take. The developing countries should be given additional market opportunities and resources so that they can look after their own people but they have a great responsibility of improving their own national governments, reducing the military expenditures, opening up their markets. We documented that, over the last two years, the developing countries can release 50b dollars a year themselves by a more sensible use of their resources so they have a lot to offer on that and they have a lot to offer on a global compact to the industrial nations. They can help industrial nations in global pollution, to control traffic in drugs, the whole international instability so there are many issues including nuclear proliferation -- many issues where the global community particularly the rich nations, cannot achieve a major breakthrough without the help of poor nations and we can package all of it into a compact at the time of the global summit.

MORELLO: Mr. Haq, after the political events in Europe within the last 2 or 3 years, the Africans expressed a fear that the donor countries would divert much of their assistance to those newly democratized countries. Has that happened?

HAQ: There is a fear that attention may go very largely to eastern Europe and the former Soviet Union and developing countries are worried because they find that while it is legitimate, that they should be helped, they find that they themselves have a per capita income which is less than one-fifth of eastern Europe or the Soviet Union. Yet when they ask for some reduction in their debt -- Poland gets 50 percent of their debt reduced overnight -- but developing countries are struggling for a long time and they're not getting a breakthrough. They find that even the assistance that is being given at the moment inadequate as it is. It is not going to poor nations. We analyze in this report

that only one-quarter of the assistance is going to the 10 countries containing three-quarters of the world's poorest population. And who is getting this assistance even in developing countries? Those who spend more on military, they get twice as much per capita as those who spend more modestly and as such, a lot can be done by restructuring aid within the same levels, probably a lot more mileage can be obtained in terms of development of developing countries and certainly, we argue here that 0.35 percent of the GNP of rich nations is not much of a social safety net for a billion people in the world.

LITTLEJOHNS: Mr. Haq, that's all the time we have. Thank you for joining us on this edition of **WORLD CHRONICLE**.

Our guest has been Mahbub Ul-Haq, a special advisor on human development to the Administrator of the UN Development Programme. He was interviewed here at United Nations Headquarters in New York by: Ted Morello of Far Eastern Economic Review; Yvette Collymore of Inter Press Service and; Bruno Franseschi of AFP.

I am Michael Littlejohns. Thank you for joining us. We invite you to be with us for the next edition of **WORLD CHRONICLE**.

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